

Bulletin

NUMBER: 2005-5

TO: All Freddie Mac Sellers and Servicers

October 14, 2005

SUBJECTS

Both Selling and Servicing requirements are amended in this Bulletin.

We are:

- Introducing the Property Inspection Alternative (PIA), a new collateral option for Loan Prospector[®] Mortgages
- Revising and expanding our eligible Condominium Project standards to:
 - Broaden the eligibility criteria for the streamlined review
 - Provide specific project criteria for 2- to 4-unit Condominium Projects
 - Update and expand the requirements for units in Detached Condominium Projects (formerly referred to as “site condominiums”)
 - Include new types of reciprocal reviews
 - Identify ineligible project types
- Revising Chapter H33, Manufactured Homes, and the Glossary to:
 - Use terminology consistent with customary legal terms used to describe the relation of the Manufactured Home to the site
 - Further describe what are acceptable manufactured home purchase agreements
- Revising our requirements for fixed-rate Prepayment Protection Mortgages to allow:
 - Prepayment premiums to be assessed upon sale of the Mortgaged Premises provided the prepayment period does not exceed three years
 - Mortgages with different prepayment periods and prepayment premiums to be pooled together in nonstandard prepayment premium PCs
- Expanding the definition of relocation Mortgages to include Mortgages made to new employees and Mortgages made on a spot basis
- Providing requirements and delivery instructions for Mortgages where the lender credited the Borrower with interest at closing

- Revising Form 1077, Uniform Underwriting and Transmittal Summary, to allow for different Condominium Project coding systems for Freddie Mac and Fannie Mae
- Providing *Single-Family Seller/Servicer Guide* (Guide) replacement pages related to the Home PossibleSM Mortgage enhancements announced in our July 26 Industry Letter
- Providing Guide replacement pages related to the Loan Prospector enhancements for Borrowers without usable Credit Scores announced in our July 26 Industry Letter
- Providing Guide replacement pages as announced in our August 2 Industry Letter, including the revised Form 65, Uniform Residential Loan Application, and Form 65A, Statement of Assets and Liabilities

We're also:

- Updating the Guide to require Servicers to report to the IRS and to Borrowers a discharge of indebtedness occurring on or after January 1, 2005, on IRS Form 1099-C, Cancellation of Debt
- Revising the Servicer Performance Profiles to align with changing industry trends and practices
- Revising our collection efforts requirements for Mortgages with terms modified under the loan modification workout option
- Providing a streamlined set of underwriting requirements that apply regardless of the workout option pursued
- Revising our performance standards and the related compensation for alternatives to foreclosure
- Eliminating the Form 1132S, Authorization for Payment of Servicing Invoices Through the Automated Clearing House (ACH), and revising the Form 1132, Authorization for Automatic Transfer of Funds Through the ACH, so that it can be used to establish the drafting of fees, regardless of invoice type
- Updating Exhibit 51, Credit Repositories and Information to Report, to reflect full-file credit reporting requirements

EFFECTIVE DATES

All of these changes are effective immediately except:

- January 1, 2005—Servicers are required to report to the IRS (on IRS Form 1099-C, Cancellation of Debt) and to Borrowers a discharge of indebtedness occurring on or after this date. IRS Forms 1099-A and 1099-C for 2005 must be reported to the IRS and the Borrower by January 31, 2006.
- July 27, 2005—On this date, Loan Prospector began to assess Home Possible Mortgages with the enhancements announced in our July 26 Industry Letter and Loan Prospector Feedback Certificates were updated.
- August 15, 2005—Home Possible Mortgages with the enhancements announced in our July 26 Industry Letter were eligible for sale to Freddie Mac.
- September 18, 2005—On this date, Loan Prospector began to assess transactions for Borrowers without usable Credit Scores as announced in our July 26 Industry Letter and Loan Prospector Feedback Certificates were updated.
- November 1, 2005—Mortgages originated using No-appraisal MAF with Settlement Dates on or after this date will be considered Mortgages originated using the PIA option.

- November 6, 2005—The Loan Prospector Feedback Certificate will be updated to indicate when Mortgages are eligible to be originated using the PIA option or the Form 2070, Condition and Marketability Report (now an exterior-only inspection form).
- January 1, 2006
 - The revised investor reporting Servicer Performance Profile becomes effective on this date.
 - The revised compensation paid to a Servicer pertaining to alternatives to foreclosure becomes effective on this date.
 - Sellers must use the revised Forms 65 and 65A for all loan applications taken on and after this date.
 - Sellers must use the revised Form 1077, Uniform Underwriting and Transmittal Summary, for Mortgages sold to Freddie Mac on or after this date.

WHY WE'RE MAKING THESE CHANGES AND HOW THEY AFFECT YOU

Selling Changes

Introducing the Property Inspection Alternative in Loan Prospector

We are pleased to introduce the Property Inspection Alternative (PIA) option in Loan Prospector. This option, developed using Freddie Mac's sophisticated risk assessment techniques and proprietary Home Value Models, replaces our current Loan Prospector No-appraisal Minimum Assessment Feedback (MAF). Effective November 6, 2005, the Loan Prospector Feedback Certificate will be updated to indicate when Mortgages are eligible to be originated using the Home Value Models. This feedback will indicate that a Seller may elect to originate the Mortgage using either the PIA option or the Form 2070, Condition and Marketability Report, that is now an exterior-only inspection.

This new version of our model-based collateral evaluation streamlines the collateral valuation process at the point of sale, increases Seller's flexibility and ease-of-use, saves additional time and processing costs and increases Borrowers' options.

The PIA expands the collateral options previously available through the No-appraisal MAF offering, with more comprehensive solutions. In addition to purchase transaction Mortgages secured by 1-unit Primary Residences, this Loan Prospector option will be available for:

- Mortgages secured by second homes and Condominium Units. Mortgages secured by Manufactured Homes and leasehold estates are not eligible for the PIA option.
- "No cash-out" refinance Mortgages

The features and requirements for the PIA include:

- Offering Loan Prospector Users that receive the appropriate MAF the choice between PIA and Form 2070 for eligible Mortgages. Form 2070 now involves an exterior-only inspection.
- Relief from representations and warranties regarding value, condition and marketability of the Mortgaged Premises for Mortgages originated using the PIA option

- Assessment of a one-time, \$50 postsettlement delivery fee for each Mortgage originated using the PIA option
- Delivery of special characteristics code (SCC) 357 on Form 11, Mortgage Submission Schedule, and Form 13SF, Mortgage Submission Voucher, as applicable, for all Mortgages sold to Freddie Mac that were originated using the PIA option

The PIA option will be available for Mortgages assessed through Loan Prospector beginning November 6, 2005. Mortgages originated using a No-appraisal MAF that are sold to Freddie Mac with Settlement Dates on or after November 1, 2005, will be considered Mortgages originated using the PIA option. Sellers must also provide the SCC 357 on the Form 11 or 13SF, as applicable, when selling such Mortgages to Freddie Mac.

We've revised Chapters 2, 17, 22, 32, J33, 36, 37, 41, 44 and 48; Exhibits 19 and 26; and Forms 11 and 13SF to reflect these changes.

New Feedback Messages refer to March 2005 appraisal report forms

Also, beginning November 6, 2005, Loan Prospector feedback messages will refer to the March 2005 appraisal report forms that must be used for appraisals with effective dates on or after January 1, 2006. Even though the feedback messages will refer to these updated forms, Sellers may continue to sell Mortgages originated using the appraisal report forms being retired as long as those reports have effective dates on or before December 31, 2005.

Condominium Project standards

Condominium Units are often a viable and affordable alternative to single-family detached homes in many high cost areas. We've revised and expanded our eligible Condominium Project standards to help Sellers serve more First-Time Homebuyers seeking affordable housing options. Our new guidelines respond to Seller/Service providers who told us more expansive and concise project approval guidelines would help them to originate more Condominium Unit Mortgages.

Our new Condominium Project Approval guidelines have less restrictive eligibility criteria, including lower pre-sale and owner-occupancy requirements.

The changes include:

- Streamlined reviews—expanded eligibility criteria to allow second homes and Investment Properties, as well as higher total loan-to-value (TLTV) ratios for a Condominium Project
- Existing Condominium Projects—lower pre-sale and owner-occupancy requirements
- 2- to 4-unit Condominium Projects—specific project approval criteria
- Detached Condominium Projects—updated and expanded requirements that permit second homes
- Reciprocal reviews—expanded the types of reciprocal reviews to accept most projects approved by other secondary market participants
- Ineligible project types—provided a list of ineligible project types

For Mortgages with applications dated on or after January 1, 2006, that are secured by Condominium Units located in Class II Condominium Projects or 2- to 4-unit Condominium Projects, Sellers will be required to represent and warrant that the Seller reviewed the project within three months of the Note Date, the project met eligibility criteria, and the Seller is not aware of any change in circumstances since the review date that would make the project ineligible. Seller must also sell such Mortgages to Freddie Mac no later than six months after Seller's review of the project.

Seller/Serviceicers are reminded that Section 71.13 of the Guide requires Serviceicers to pay post foreclosure condominium, homeowners association and PUD regular assessments (dues) and any special assessments from the REO Acquisition date up to the REO settlement date (REO holding period). If applicable State law creates a lien priority for condominium HOA or PUD assessments, Freddie Mac will reimburse up to a total of six months over the life of the Mortgage for regular condominium, HOA or PUD assessments incurred prior to the foreclosure sale date. We do not reimburse for late fees, interest collection expenses or attorney fees. These requirements are not impacted by the changes to Chapter 42 and remain in force.

We have substantially reorganized and updated Chapter 42 to incorporate these changes. We recommend that you carefully read the revised chapter and note the new and revised terms in the Glossary. We've also revised Chapters 37 and 58, Exhibit 11 and the Directory to reflect these changes.

Selling System-related changes

The original URL to gain access to the Freddie Mac Selling System (<https://sell.freddie.mac.com/cash>) has been retired. Sellers must obtain Selling System access at the following address:
<https://sell.freddie.mac.com>.

We've revised Chapter 15 to reflect this change.

Manufactured Homes

We've revised Chapter H33 and the Glossary to:

- Use terminology consistent with customary legal terms used to describe the relation of the Manufactured Home to the site
- Further describe what may be used as a manufactured home purchase agreement to include State-mandated purchase agreements, or if none is mandated, the Jenkins Business Form 500 or an equivalent form

Changes related to Mortgages with prepayment premiums

Prepayment premiums upon sale of Mortgaged Premises

We've revised our requirements to allow prepayment premiums to be assessed upon sale of the Mortgaged Premises if the prepayment period does not exceed three years. We've updated Chapters 13, B33 and 51 to reflect this change.

Pooling requirements

To provide Sellers with more flexibility and to align with mortgage industry practices, we've revised our pooling requirements to allow Mortgages with different prepayment periods and prepayment premiums to be pooled together in nonstandard prepayment premium PCs. We've updated Chapter 13 and Exhibit 22, Form of Additional Supplement—Fixed-Rate Prepayment Protection Mortgages, to reflect this change.

Relocation Mortgages

We are changing the definition for relocation Mortgages. The new definition includes Mortgages made to new employees and Mortgages made on an individual basis as determined by the employer, but not pursuant to an employee relocation program (that is, on a spot basis).

We are making this change to conform Freddie Mac's definition of relocation Mortgages to current market practices. The change in the definition does not affect the special pooling requirements applicable to relocation Mortgages that are set forth in the Guide.

We've revised Chapter 13 to reflect this change.

Delivery requirements for Mortgages where the lender credited the Borrower with interest at closing

We've revised the Guide to provide requirements and delivery instructions for Mortgages where the lender credited the Borrower interest at closing from the first day of the month of closing to the Note Date and the Borrower's first monthly payment is due the first day of the month immediately following the Mortgage closing. The requirements will provide Sellers guidance on the delivery of the "interest-paid-to" date for such Mortgages on the Form 11, Mortgage Submission Schedule, and Form 13SF, Mortgage Submission Voucher. Additionally, the Seller must represent and warrant that the lender credited the Borrower with interest at closing.

We have updated Chapter 17, Forms 11 and 13SF, and Exhibit 8 to reflect these changes.

Form 1077, Uniform Underwriting and Transmittal Summary

We've revised Form 1077, Uniform Underwriting and Transmittal Summary, to allow for different Condominium Project coding systems for Freddie Mac and Fannie Mae. The revised form may be used immediately and must be used for Mortgages sold to Freddie Mac on or after January 1, 2006.

Enhancements to Home Possible Mortgages

As announced in our July 26 Industry Letter, we've introduced enhancements to Home Possible Mortgages, including:

- Reduced mortgage insurance coverage levels
- Permitting the purchase of 5/1 Treasury- and LIBOR-indexed ARMs with 2/2/5 cap structures
- Expanding secondary financing to include other types of secondary financing in addition to Affordable Seconds[®]

We have revised Chapters 17, 25 and A34; Exhibit 19; and Forms 11 and 13SF to reflect these changes.

Because the provisions of the July 26 Industry Letter are now incorporated in the Guide, the Industry Letter is terminated. Sellers must refer to the Guide rather than the Industry Letter for our Home Possible Mortgage requirements.

Enhancements to Loan Prospector assessments

As announced in our July 26 Industry Letter, effective September 18, 2005, Loan Prospector was enhanced to complete the assessment for transactions that include Borrowers without a usable Credit Score if one or more other Borrowers on the transaction have a usable Credit Score, as determined by Loan Prospector.

We've revised Chapters C33 and 37 to reflect these changes.

Because the provisions of the July 26 Industry Letter are now incorporated in the Guide, the Industry Letter is terminated. Sellers must refer to the Guide for our requirements relating to Loan Prospector assessment of transactions that include Borrowers without a usable Credit Score.

Revised Forms 65 and 65A

As announced in our August 2 Industry Letter, we've revised Form 65, Uniform Residential Loan Application, and Form 65A, Statement of Assets and Liabilities. Sellers may begin using the revised forms immediately; however, Sellers must use the revised forms for all loan applications taken on and after January 1, 2006.

Form 65 and Form 65A are now included on Freddie Mac's Uniform Instrument website (<http://www.freddie.com/uniform>). Authorized changes to the Form 65 will now be included on Exhibit 5, which has been retitled "Authorized Changes to Notes, Riders, Security Instruments and the Uniform Residential Loan Application" and on the Uniform Instrument website.

We've revised Chapters 6, 30, 37 and 41 and Exhibits 4 and 5 to reflect these changes.

Servicing Changes

IRS reporting changes

Servicers must now report to the IRS and to Borrowers a discharge of indebtedness occurring on or after January 1, 2005, on IRS Form 1099-C, Cancellation of Debt. IRS Forms 1099-A and 1099-C for 2005 must be filed by January 31, 2006.

We've updated the applicable provisions for IRS Forms 1099-A and 1099-C in Chapter 55. Also included in this Bulletin is a revised Form 1065, Report of IRS Form 1099-A and Form 1099-C Filing. Servicers must use the revised Form 1065 to advise Freddie Mac regarding the IRS Forms 1099-A and 1099-C they have filed.

Because IRS Form 1099-A instructions are now included with Form 1065, we are deleting Exhibit 50, IRS Form 1099-A Completion Instructions, from the Guide.

Servicer Performance Profile changes

Freddie Mac introduced the Servicer Performance Profiles in 1996, and since then, they have become an industry-accepted tool for evaluating Servicer performance. We continually evaluate the profiles and periodically make changes to them to ensure that the criteria we measure are relevant and aligned with changing industry trends and practices. Accordingly, we are announcing that effective January 1, 2006, we are making the following changes to the investor reporting Servicer Performance Profile.

Based on feedback from our Servicers, we are changing the way we calculate the "Percentage of Aged Transactions in Error" metric, which makes up the Data Integrity Management criterion on the investor reporting profile. The new calculation will take into consideration the size of a Servicer's portfolio when determining an accuracy percentage for this criterion and will incorporate an error tolerance for small- to mid-sized portfolios.

The new calculation is as follows:

- Divide the total number of aged applied transactions on the Loan Reconciliation Difference Report for each month in the most recent three-month period by the average number of loans reported by the Servicer for the same three-month period
- Subtract the result of the above calculation from one to determine the accuracy percentage

A Servicer's tier ranking for this metric will be based on the Servicer's accuracy percentage as calculated above, except that if the average number of loans as reported by the Servicer is equal to or greater than 100 and the Servicer has only one aged transaction error, then the Servicer will be considered to be a Tier 1, regardless of the percentage calculated.

Freddie Mac is also changing the scoring for this metric so that a Servicer will be awarded a fixed number of points based on its tier ranking, instead of the sliding scale that is currently used. The accuracy percentage ranges and associated points for each tier within this metric are as follows:

Tier	Accuracy Percentage Range	Points
Tier 1	≥99.997%	15 points
Tier 2	≥99.379% and <99.997%	11 points
Tier 3	≥93.32% and <99.379%	7 points
Tier 4	<93.32%	0 points

The “Percentage of Aged Transactions in Error” metric will continue to account for 15% of the Servicer’s overall investor reporting performance measurement.

In addition to the changes described above, we’ve updated Chapters 51 and 76 to reflect the areas of investor reporting on which Freddie Mac will measure a Servicer’s performance.

Collection efforts

In response to feedback from our Servicers, we’ve revised our collection efforts requirements for Mortgages modified under the loan modification workout option. For the first three months after the Mortgage is modified, instead of calling the Borrower five Business Days prior to the payment Due Date, Servicers must make the reminder call five Business Days after the Due Date. This will enable Borrowers with newly modified Mortgages to benefit from the reminder call by reinforcing the Due Date and allows the Borrower time to avoid the late charge.

We’ve revised Chapter 64 to reflect this change.

Workout underwriting requirements

To provide Servicers with a streamlined set of underwriting requirements that apply regardless of the workout option pursued, we’ve made a number of changes to our existing underwriting requirements, including:

- Updating requirements for evaluating a Borrower’s financial situation for certain workout options (i.e., workout mortgage assumption, short payoff and deed-in-lieu of foreclosure)
- Eliminating the requirement to obtain a copy of the Borrower’s previous year’s signed federal tax return, unless the Borrower is self-employed

We’ve also updated requirements related to when a self-employed Borrower must provide a previous year’s profit and loss statement.

Chapter B65 has been updated to reflect these changes.

Servicer compensation

Freddie Mac has revised the amount we will pay Servicers for eligible repayment plans to \$200. We've also revised the timing of eligible repayment plans from 90 days to 60 days delinquent.

We've updated Chapter B65 to reflect these changes.

Combined Forms 1132 and 1132S; eliminated Form 1132S

In order to simplify the process for authorizing the payment of fees with an Automated Clearing House (ACH) draft, Freddie Mac is changing our ACH authorization forms. We've eliminated the Form 1132S, Authorization for Payment of Servicing Invoices Through the ACH, and revised the Form 1132, Authorization for Automatic Transfer of Funds Through the ACH, so that it can be used to establish the drafting of fees, regardless of invoice type. Going forward, you will use the revised Form 1132 to establish a new draft account for the payment of Servicer Invoice fees through the ACH system or to notify us of any changes to the ACH instructions you previously provided.

These changes are effective immediately. However, if you have new banking instructions or a change to existing banking instructions in process using either of the old forms, we will continue to accept those forms.

We have revised Chapters 76 and 78 and the Form 1132 to reflect this change.

Exhibit 51

We've updated Exhibit 51, Credit Repositories and Information to Report, to reflect full-file credit reporting requirements as found in Chapter 55.

REVISIONS TO THE *SINGLE-FAMILY SELLER/SERVICER GUIDE*

Descriptions of revised Guide text are located in Exhibit A of this Bulletin. The revisions include:

- Chapters 2, 6, 13, 15, 17, 22, 25, 30, 32, B33, C33, H33, J33, A34, 36, 37, 41, 42, 44, 46, 48, 51, 55, 58, 64, 65, B65, 76 and 78
- Exhibits 4, 5, 8, 11, 19, 22, 26, 51 and 57
- Deleted Exhibit 50
- Forms 11, 13SF, 65, 65A, 1065, 1077 and 1132
- Deleted Form 1132S
- Glossary
- Directories 3, 4, 5, 6, 8, 9 and 11

At the end of this Bulletin, you'll find replacement pages for the Guide. Because of the reorganization and changes to Chapter 42, we have provided a transposition chart (Exhibit B) to familiarize you with our revised requirements.

CONCLUSION

We believe that these changes support Freddie Mac's commitment to making the mortgage finance process simpler and more efficient. If you have any questions about the changes announced in this Bulletin, please call your Freddie Mac Account Manager or (800) FREDDIE.

Sincerely



James J. Cotton
Vice President
Single-Family Marketing

Exhibit A

Highlights of Revisions in this Package

Bulletin 2005-5 incorporates changes to the following documents of the *Single-Family Seller/Servicer Guide* (Guide):

Chapters

- **Chapter 2**—General Freddie Mac Policies—Revises language to refer to the Property Inspection Alternative (PIA).
- **Chapter 13**—Pooling and Disclosure Requirements for Fixed-Rate and Balloon/Reset Mortgages Under the Fixed-Rate Guarantor or MultiLender Swap Programs—Expands the definition of a relocation Mortgage. Updates our Prepayment Protection Mortgage requirements to allow (i) prepayment premiums to be assessed upon the sale of the Mortgaged Premises if the prepayment period does not exceed three years and (ii) Mortgages with different prepayment periods and prepayment premiums to be pooled together in nonstandard prepayment premium PCs.
- **Chapter 15**—Special Requirements for Selling Mortgages Through the Freddie Mac Selling System—Revises language to reflect that the old Selling System URL has been retired.
- **Chapter 17**—Mortgage Delivery and Settlement Processing—Revises language to reflect the Home PossibleSM Mortgage enhancements announced in our July 26 Industry Letter. Provides requirements and delivery instructions for Mortgages where the lender credited the Borrower with interest at closing. Adds language regarding Mortgages originated using Home Value Models (Form 2070 and the PIA). Deletes separate Guide section regarding Mortgages originated using Form 2070.
- **Chapter 22**—General Mortgage Eligibility—Adds reference to requirements for use of the Second Home Rider for each Mortgage secured by property used as a second home as defined in Section 22.22 of the Guide.
- **Chapter 25**—Secondary Financing and Other Financing Agreements—Revises existing language and adds new language to reflect the Home Possible Mortgage enhancements announced in our July 26 Industry Letter.
- **Chapter B33**—Prepayment Protection Mortgages—Revises our requirements to allow prepayment premiums to be assessed upon the sale of the Mortgaged Premises if the prepayment period does not exceed three years.
- **Chapter C33**—A-minus Mortgages—Adds language related to Borrowers without usable Credit Scores as announced in our July 26 Industry Letter.
- **Chapter H33**—Manufactured Homes—Makes terminology consistent with customary legal terms used to describe the relation of the Manufactured Home to the site. Revises language to require the use of a Manufactured Home Purchase Agreement, which is defined in the Glossary.

- **Chapter A34**—Home PossibleSM Mortgages—Revises language to reflect the Home Possible Mortgage enhancements announced in our July 26 Industry Letter.
- **Chapter 36**—Special Eligibility Requirements for the Purchase of Seasoned Mortgages—Updates language related to the delivery limitation and Freddie Mac-Owned Converted Mortgages. Revises language related to the PIA.
- **Chapter 37**—Underwriting the Borrower—Adds language related to Borrowers with and without usable Credit Scores as announced in our July 26 Industry Letter. Revises language regarding use of and completion instructions for the revised Forms 65 and 65A as announced in our August 2 Industry Letter. Revises language related to the expanded Condominium Project standards.
- **Chapter 42**—Special Warranties for Condominiums—Revises language and adds new language related to the expanded Condominium Project standards. See Exhibit B for additional information regarding the reorganization of this Chapter.
- **Chapter 44**—Appraisal Reports, Inspection Reports and the Property Inspection Alternative (PIA)—Introduces the PIA and revises language related to the use of the Form 2070 when a Loan Prospector Mortgage is supported by Freddie Mac’s Home Value Models (Form 2070 and the PIA).
- **Chapter 48**—Seller’s In-House Quality Control Program—Updates language related to the requirements for Mortgages originated using the Home Value Models (Form 2070 and PIA).
- **Chapter 51**—General Freddie Mac Policies—Revises requirements to allow prepayment premiums to be assessed upon the sale of the Mortgaged Premises if the prepayment premium period does not exceed three years. Revises language related to investor reporting performance standards.
- **Chapter 55**—Servicing Reports—Updates language related to IRS Form 1099-A and adds language regarding IRS Form 1099-C.
- **Chapter 58**—Property Insurance—Revises a cross-reference related to earthquake insurance. Revises language related to the expanded Condominium Project standards.
- **Chapter 64**—Delinquencies—Revises requirements for collection efforts for Mortgages modified under the loan modification workout option.
- **Chapter B65**—Workout Options—Updates requirements for evaluating a Borrower’s financial situation for certain workout options. Eliminates the requirement to obtain a copy of the Borrower’s previous year’s signed federal tax return (unless self-employed). Updates requirements related to when a self-employed Borrower must provide a previous year’s profit and loss statement.
- **Chapter 76**—Basics of Investor Accounting—Updates a cross-reference to refer to Form 1132, Authorization for Automatic Transfer of Funds Through the Automated Clearing House (ACH), rather than Form 1132S, which has been deleted from the Guide. Revises language pertaining to performance standards for investor reporting and remitting.
- **Chapter 78**—Reporting and Remitting Requirements—Updates a cross-reference to refer to Form 1132 rather than Form 1132S. Form 1132S has been deleted from the Guide.

Exhibits

We've revised the following exhibits:

- **Exhibit 4**—Single-Family Uniform Instruments
- **Exhibit 5**—Authorized Changes to Notes, Riders, Security Instruments and the Uniform Residential Loan Application
- **Exhibit 8**—Delivery Balance Examples for MIDANET® and the Selling System
- **Exhibit 11**—Condo Warranty Certification
- **Exhibit 19**—Postsettlement Delivery Fees
- **Exhibit 22**—Form of Additional Supplement—Fixed-Rate Prepayment Protection Mortgages
- **Exhibit 26**—Discretionary Provisions
- **Exhibit 51**—Credit Repositories and Information to Report

We've deleted the following exhibit:

- **Exhibit 50**—IRS Form 1099-A Completion Instructions

Forms

We've revised the following forms:

- **Form 11**—Mortgage Submission Schedule
- **Form 13SF**—Mortgage Submission Voucher
- **Form 65**—Uniform Residential Loan Application
- **Form 65A**—Statement of Assets and Liabilities
- **Form 1065**—Report of IRS Form 1099-A and Form 1099-C Filing
- **Form 1077**—Uniform Underwriting and Transmittal Summary
- **Form 1132**—Authorization for Automatic Transfer of Funds Through the Automated Clearing House (ACH)

We've deleted the following form:

- **Form 1132S**—Authorization for Payment of Servicing Invoices Through the Automated Clearing House

Glossary

We've revised the following term:

- An Agency
- Minimum Assessment Feedback

We've added the following terms:

- Condominium Constituent Documents
- Condominium Unit Mortgage
- Detached Condominium Project
- Existing Condominium Project
- Manufactured Home Purchase Agreement
- Property Inspection Alternative

We've deleted the following term:

- No-appraisal MAF

Directory

We've revised the following Directories:

- Directory 3
- Directory 4
- Directory 5
- Directory 6
- Directory 8
- Directory 9
- Directory 11

Exhibit B

Chapter 42 Transition Chart

Section	Current Section Title	New Section Title
42.2	Class I Condominium Projects	General Warranties for Condominium Unit Mortgages
42.3	Additional Seller Warranties on Class I Condominium Projects	Ineligible Projects
42.4	Seller Warranties on Class I Condominium Projects	Streamlined Review for Attached Condominium Units
42.5	Class II Condominium Projects	Detached Condominium Projects
42.6	Seller Warranties on Class III Condominium Projects	Class III Condominium Projects
42.7	Seller Warranties on Class II Condominium Projects	Class II Condominium Projects
42.8	Condominium Hotels	2- to 4-unit Project Eligibility Requirements
42.9	Site Condominiums	Class I Condominium Projects
42.10	Streamlined Project Review	Reserved for Future Use
42.11	Reciprocal Review	Reciprocal Project Review